

**107 CONTRACTING WITH MEDICARE SPECIAL NEEDS PLANS**

Effective Date: April 1, 2012

Revision Date:

Staff responsible for policy: DHCM Administration

I. Purpose

This Policy applies to organizations, whether or not they are existing Acute Care or ALTCS Contractors, that currently have contracts, or will be pursuing contracts, with the Centers for Medicare and Medicaid (CMS) to operate as a Medicare Advantage Dual Eligible Special Needs Plan (D-SNP) in calendar year 2013. Beginning January 1, 2013, federal regulations require that all D-SNPs have a contract in place with the State Medicaid Agency which outlines for CMS and the State the specific dual eligible population the D-SNP will serve as well as care coordination and cost sharing obligations. D-SNPs are a type of Medicare Advantage plan which limits enrollment to Medicare beneficiaries who are also receiving Medicaid benefits. The purpose of this Policy is to maximize care coordination for AHCCCS acute care and ALTCS members who are dual eligibles.

To further align care coordination of dual eligibles, the AHCCCS Administration also intends to submit a Dual Demonstration Project Proposal to CMS which outlines additional proposals for integration and care coordination of dual eligible members for the time period of January 2014 through December 2016.

II. Definitions

Acute Care Duals: AHCCCS beneficiaries who are determined eligible for AHCCCS acute care benefits, including but not limited to AHCCCS members eligible under 1931, SSI MAO, and AHCCCS Care, who are enrolled in Medicare Part A and/or Part B.

ALTCS Duals: Persons who have been determined eligible for the ALTCS EPD or DD Program because they require an institutional level of care and meet financial and other eligibility criteria for Title XIX eligibility and who are also enrolled in Medicare Part A and/or Part B.

III. Policy**A. AHCCCS Acute Care Duals**

In spring 2013 AHCCCS will award acute care contracts to successful bidders of the Request for Proposal (RFP) process for provision of acute care services beginning October 1, 2013. To maximize care coordination of AHCCCS dual eligible members in anticipation



of the upcoming RFP process, AHCCCS will sign contracts for the time period of January 1, 2013 through December 31, 2013 with:

- 1) 2012 Medicare approved D-SNPs, which are NOT current Acute Care Contractors, to continue operation of D-SNPs in those counties in which they currently operate 2012 Medicare approved D-SNPs. The AHCCCS contracts will be effective from January 1, 2013 through December 31, 2013 only. AND
- 2) Current Acute Care Contractors which operate 2012 Medicare approved D-SNPs to continue operation of D-SNPs in all such counties, regardless of whether or not the D-SNP operates in a county in which it also has an acute care contract. AHCCCS contracts with current Acute Care Contractors operating D-SNPs will be effective only from January 1, 2013 through December 31, 2013.

Beginning January 1, 2014, AHCCCS will align care of dual eligibles and will not contract with any D-SNPs operating in counties in which they do not *also* have an acute care contract. Alignment of dual eligible members in the same plan for both Medicare and Medicaid services provides members with one entity that coordinates all aspects of care, thus decreasing fragmentation of care and reducing confusion for members, providers, and contractors related to service delivery.

B. ALTCS-EPD Duals

In May 2011 AHCCCS awarded new contracts for the ALTCS-EPD Program covering the time period of October 1, 2011 through September 30, 2014, with the possibility for two 1-year contract extensions. As a condition of receiving an award in Maricopa and Pima counties, bidders were required to have an aligned Medicare Advantage Plan or a D-SNP in those counties. To further enhance care coordination of ALTCS dual eligible members, AHCCCS will sign contracts for the time period of January 1, 2013 through December 31, 2013 with:

- 1) 1) 2012 Medicare approved D-SNPs, which are NOT current ALTCS Contractors, to continue operation of D-SNPs in those counties in which they currently operate 2012 Medicare approved D-SNPs. The AHCCCS contracts will be effective from January 1, 2013 through December 31, 2013 only. AND



- 2) Current ALTCS Contractors which operate 2012 Medicare approved D-SNPs to continue operation of D-SNP plans in all such counties, regardless of whether or not the D-SNP operates in a county in which it also has an ALTCS contract. AHCCCS contracts for current ALTCS Contractors operating D-SNPs will be effective only from January 1, 2013 through December 31, 2013 only.

Beginning January 1, 2014, AHCCCS will align care of dual eligibles and will not contract with any D-SNPs operating in counties in which they do not *also* have an ALTCS contract. Alignment of dual eligible members in the same plan for both Medicare and Medicaid services provides members with one entity that coordinates all aspects of care, thus decreasing fragmentation of care and reducing confusion for members, providers, and contractors related to service delivery.

C. ALTCS-DD Duals

ALTCS services for persons who are Developmentally Disabled (DD) are provided by the Department of Economic Security (DES), Division of Developmental Disabilities (DDD) as specified in State Law. Therefore, D-SNPs do not have contracts directly with the State Medicaid Agency for serving DD members. If CMS recommends D-SNP contracting for DD ALTCS members, AHCCCS will explore whether alignment of Medicare and Medicaid services can be achieved and pursue contracting when feasible.

IV. Data Sharing

Claims data for Medicare beneficiaries enrolled in Medicare Advantage plans is not currently available to states. Therefore, AHCCCS may require that all current AHCCCS Contractors operating D-SNPs submit Medicare claims to AHCCCS. This data will be used by AHCCCS for care coordination and other operational activities related to dual eligible members.

V. Care Coordination

All D-SNPs must ensure timely coordination of care with the member's Acute Care or ALTCS Contractor.

VI. Process

AHCCCS has developed a contract template for use by each D-SNP. All contracts must describe the following:



1. The MA organization's responsibility, including financial obligations, to provide or arrange for Medicaid benefits;
2. The category(ies) of eligibility for dual-eligible beneficiaries to be enrolled under the SNP, as described under by the Social Security Act at sections 1902(a), 1902(f), 1902(p), and 1905;
3. The Medicaid benefits covered under the SNP;
4. The cost-sharing protections covered under the SNP;
5. The identification and sharing of information on Medicaid provider participation;
6. The verification of enrollee's eligibility for both Medicare and Medicaid;
7. The service area covered by the SNP; and
8. The contract period for the SNP.

D-SNPs may review the contract template and submit their proposed agreement with tracked changes to Katrina Cope at Katrina.Cope@azahcccs.gov. D-SNPs are required to submit a contract with the State Medicaid Agency to CMS by July 1, 2012. To ensure that AHCCCS has adequate time to review the D-SNP contracts, all contracts must be received no later than April 30, 2012.

Questions concerning this Policy may be directed to Katrina Cope at (602) 417-4173.

VII. References

- Section 1859(f) of the Social Security Act
- Section 164 of the Medicare Improvement for Patients and Providers Act
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- Section 3205 of the Affordable Care Act
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- 42 Code of Federal Regulations 422.107
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- Medicare Managed Care Manual Chapter 16-B: Special Needs Plans